



COMMONWEALTH of VIRGINIA

Department of Taxation

June 23, 2006

Ms. Sandra Reen, Executive Director
Virginia Board of Long-Term Care Administrators
6603 West Broad Street, 5th Floor
Richmond, Virginia 23230-1712

Dear Ms. Reen:

The 2006 General Assembly has recently enacted legislation, Senate Bill 110 (Chapter 217, 2006 Acts of Assembly) signed by Governor Kaine, which may be of interest to some of your constituents. Currently, licensed hospitals may purchase medicines and drugs exempt from Virginia's retail sales and use tax. In addition, nonprofit nursing homes, clinics and similar corporations may purchase medicines and drugs exempt from Virginia's retail sales and use tax, provided that these entities qualify for the nonprofit exemption. Beginning July 1, 2006, this exemption will be extended to include clinics, for-profit nursing homes, and other similar corporations, regardless of whether these entities qualify for the nonprofit exemption. To claim this exemption, the clinic or nursing home should provide their vendor with a completed Certificate of Exemption, Form ST-13, the first time a tax-exempt purchase is made with this vendor.

For further information about this exemption, please visit our website at www.tax.virginia.gov. Updated copies of Form ST-13 will be available on the website by July 1, 2006. If you have any questions, please contact the Office of Customer Relations at (804) 367-8037.

Sincerely,

Jarle E. Bowen
Tax Commissioner

JEB/jmv

